

OFFICIAL STATEMENT ADDENDUM DATED FEBRUARY 24, 2005

**\$765,000,000
STATE OF ILLINOIS
GENERAL OBLIGATION CERTIFICATES OF MARCH, 2005**

Dated: Date of Issuance

Due: As shown below

The purpose of this Official Statement is to set forth the details of sale of the \$765,000,000 General Obligation Certificates of March 2005 (the "*Certificates*"), sold by the State of Illinois (the "*State*") on February 24, 2004. The Certificates will mature on the date, in the amount and bearing interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

MATURITY DATE	PRINCIPAL AMOUNT	RATE OF INTEREST	YIELD
June 3, 2005	\$765,000,000	3.00%	2.02%

The Preliminary Official Statement of the State, dated February 21, 2005, relating to the Certificates, which was deemed final by the State (the "*Deemed Final Official Statement*"), is incorporated herein and made a part hereof. The Final Official Statement of the State relating to the Certificates (as that term is defined in Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Act of 1934, as amended) shall consist of the Deemed Final Official Statement and this Addendum. Reference is made to the Deemed Final Official Statement for a description of all terms and provisions of the Certificates not described herein and for the definition of all capitalized terms not defined herein.

For further information with respect to the Certificates, please contact the Governor's Office of Management and Budget at (217) 782-4520.

USE OF CERTIFICATE PROCEEDS

The Certificate proceeds will be deposited in the following State funds for the purposes described in the Deemed Final Official Statement and in the amounts as follows:

FUND	AMOUNT
Deposit to General Revenue Fund for further transfer to the Hospital Provider Fund to pay certain Medicaid-related obligations of the State.	\$765,000,000.00
Deposit to the General Obligation Bond Redemption and Interest Fund (net premium amount).	<u>1,675,350.00</u>
Total use of Certificate Proceeds	\$766,675,350.00

RATINGS

Moody's Investors Service has assigned a short-term rating of "MIG 1" to the Certificates. Standard & Poor's, a division of The McGraw-Hill Companies Inc. has assigned a short-term rating of "SP-1+" to the Certificates. Fitch Ratings has assigned a short-term rating of "F1+" to the Certificates. Any explanations of the significance of such ratings may be obtained only from the respective rating agency. The ratings on the Certificates were applied for by the State, and certain information and materials, some of which are not contained in this Final Official Statement, were supplied to such rating agencies. The ratings are not a recommendation to buy, sell or hold the Certificates and the ratings and the Certificates should be evaluated independently. The ratings are subject to change or withdrawal at any time and any such change or withdrawal may affect the market price or marketability of the Certificates. The State and the Underwriter have undertaken no responsibility either to bring to the attention of the beneficial owners of the Certificates any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal, but as described in the Deemed Final Official Statement under the heading "THE OFFERING--Continuing Disclosure," the State has undertaken to give certain notices of any change in any rating that relates to the Certificates or the State that could affect the value of the Certificates.

FORM OF APPROVING LEGAL OPINION

The form of the approving opinion of Ungaretti & Harris LLP, Chicago, Illinois, as Bond Counsel, is contained in *Appendix A* hereto.

UNDERWRITING

The Certificates have been purchased by Morgan Stanley & Co., Incorporated at an aggregate purchase price of \$766,675,350. The underwriter described above (the "*Underwriter*")

may offer and sell the Certificates to certain dealers (including dealers depositing the Certificates into investment trusts) and others at prices lower than the public offering prices set forth in the table above. After the initial public offering, the public offering prices may be changed from time to time by the Underwriter.

AUTHORIZATION

The State has authorized the distribution of this Final Official Statement Addendum. At the time of delivery of the Certificates, the State will furnish a certificate executed by the Director of the Governor's Office of Management and Budget of the State stating that to the best of his knowledge the Preliminary Official Statement did not (as of the date of sale of the Certificates to the Underwriter) and the Final Official Statement Addendum does not (as of the date of delivery of the Certificates) contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

/s/ John B. Filan

Director, Governor's Office of Management
and Budget

Dated: February 24, 2005

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APPENDIX A

FORM OF OPINION OF BOND COUNSEL

March 3, 2005

State of Illinois
State Capitol
Springfield, Illinois

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$765,000,000 aggregate principal amount of General Obligation Certificates of March, 2005 (the "Certificates") of the State of Illinois (the "State"). The Certificates are authorized and issued pursuant to the provisions of Section 9(c) of Article IX of the State Constitution and the Short Term Borrowing Act, 30 Illinois Compiled Statutes 340.

The Certificates are issuable in the form of fully registered certificates in the denominations of \$5,000 and any integral multiple thereof. The Certificates delivered on original issuance are dated March 3, 2005. The Certificates mature (without option of prior redemption) on June 3, 2005 and bear interest from their date payable at maturity at the rate of 3.00% per annum.

In our opinion, the Certificates are valid and legally binding general obligations of the State of Illinois. However, the enforceability of rights or remedies with respect to the Certificates may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

In our opinion, the Short Term Borrowing Act constitutes an appropriation out of any moneys in the State Treasury of an amount sufficient to pay the principal of and interest on the Certificates as the same shall become due and payable; and the Governor, the Comptroller and Treasurer of the State are authorized to order the transfer of any moneys in the State Treasury into the General Obligation Bond Retirement and Interest Fund of the State to provide for the payment of the Certificates.

We are of the opinion that, under existing law, interest on the Certificates is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Certificates will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Certificates are not "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, interest on the Certificates is not an item of tax

preference for purposes of computing individual or corporate alternative minimum taxable income. However, interest on the Certificates is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Certificates. These requirements relate to the use and investment of the proceeds of the Certificates, the payment of certain amounts to the United States, the security and source of payment of the Certificates and the use of the property financed with the proceeds of the Certificates. The State has covenanted to comply with these requirements.

Interest on the Certificates is not exempt from Illinois income taxes.

Very truly yours,

UNGARETTI & HARRIS LLP



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